(c) the number of companies mentioned in part(a) about which had paid up capital of more than Rs. 10 lakhs?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) 26146 companies limited by shares were registered during the year 1991-92 under the Companies Act, 1956.

(b) There is no provision under the Companies Act for a company to furnish information regarding foreign collaboration at the time of registration.

However, according to information available with India Investment Centre during the year 1991 and 1992 (upto March, 1992) 133 and 275 foreign collaborations were approved by the Government respectively.

(c) Newly registered companies have only Authorised Capital. During the year 1991-92 out of 26146 companies 3613 companies were having an authorised capital of more than Rs. 10 lakhs each.

Misuse of funds by companies

4056. SHRIMATI VEENA VERMA:

SHRI RAJUBHAI A. PARMAR:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether inquiries into recent securities scam have revealed that a large number of companies do not submit their balance sheets at the end of the year in time as per requirements of the Companies Act; and indulge in large scale misappropriation of funds raised through rights or public issues by way of speculation and manipulation of stock markets;

(b) if so, what is the precise nature extent and dimensions of misuse of funds revealed; and

(c) the steps taken to prevent such practices?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) to (c) Sixteen companies, incorporated under the Companies Act, 1956, have been notified by the Custodian under Section 3(2) of the Special Court (Trial of Offences Relating to Transactions in Securities) Ordinance, 1992. A statement indicating the last audited Balance Sheet and Profit and Loss Account filed by the companies with the Registrar of Companies, is annexed. (*See* below) Out of these, inspections of Books of accounts of only two companies viz Growmore Research & Assets Management Ltd. and Growmore Leasing & Investments Ltd. were conducted under Section 209A of the Companies Act 1956, which prima-facie revealed that these companies have not raised funds through rights or public issue. In respect of 13 private companies, the question of making a rights or public issue does not arise, as the relevant provision of the Act are not applicable to private companies. In respect of Fairgrowth Financial Services Ltd., as per available information, the company has not made any public issue.

Statement

Sl. No.	Names of the Companies	Last audited Balance Sheet and Profit & Loss Account filed with Registrar of Companies.	Action taken
1.	Growmore Research & Assets Management Ltd.	31.3.90	Prosecution for default in filing the Annual Accounts for the year ending 31.3.91 has been filed. Annual Accounts for the year ending 31.3.92 are not yet due to be filed.
2.	Aatur Holding Pvt. Ltd.	31.3.90	Do.
3.	Harsh Estates Pvt. Ltd.	31.3.90	Do.
4.	Growmore Exports Pvt. Ltd.	31.3.90	Do.
5.	Growmore Leasing & Investments Ltd.	31.3.90	Do.
6.	Orion Travels Pvt. Ltd.	31.3.90	Do.
7.	Fortune Holdings Pvt. Ltd.	31.3.90	Do.
8.	Cascade Holdings Pvt. Ltd.	31.3.90	Do.
9.	Treasure Holdings Pvt. Ltd.	Nil (not due)	First Balance Sheet not yet due for filing.
10.	Velvet Holdings Pvt. Ltd.	Do.	Do.
11.	Eminent Holdings Pvt. Ltd.	Do.	Do.
12.	Pallavi Holdings Pvt. Ltd.	Do.	Do.
13.	Zest Holdings Pvt. Ltd.	Do.	Do.
14.	Topaz Holdings Pvt. Ltd.	Do.	Do.
15.	Divine Holdings Pvt. Ltd.	Do.	Do.
16.	Fairgrowth Financial Services Ltd.	31.3.91	Annual Accounts for the year ending 31.3.92 are not yet due to be filed.